

BDAC MEETING SUMMARY
JULY 19, 1996
SACRAMENTO CONVENTION CENTER
10:00 AM TO 4:00 PM

BDAC

1. WELCOME AND INTRODUCTIONS (MIKE MADIGAN)

The Chair convened the meeting and welcomed BDAC members. Attachment 1 lists the BDAC members, and Attachment 2 lists members of the public who attended the meeting. Chairman Madigan informed the Council, that Mr. Stearns had asked Dan Nelson to speak for him, in his absence.

Mr. Madigan stressed the discussions at the meeting would be important in assisting the CALFED Bay-Delta Program as it moved into Phase II.

2. OVERVIEW OF PROCESS (LESTER SNOW)

Lester Snow provided a brief overview of the Program and pointed out that the Bay-Delta interested parties are striving to achieve common ground on workable solutions, as evidenced by the cooperation shown by approval of SB 900 for the November 1996 ballot.

3. OVERVIEW OF ALTERNATIVES (LESTER SNOW)

Descriptions of Phase II Alternatives

Presentation

Lester Snow provided an initial overview of alternatives, beginning with an explanation of the following underlying assumptions: a) a win/win solution depends on finding opportunities to remove water from the Bay Delta system during times that are least sensitive to natural resources, and providing additional water to the system when it is most needed, and b) storage opportunities depend on agreed upon conveyance systems. Presentations were also made focussing on descriptions of the alternatives and common programs provided in the Workshop 7 and BDAC meeting packets.

In addition to describing the alternatives and common programs, Judy Kelly presented an overview of Workshop 7 comments which are summarized as Clarifications for Preliminary Phase II Alternatives and Issues of Concern for Phase II Analyses in the BDAC meeting packet.

Steve Yaeger summarized comments received from the CALFED agency staff. Agency concerns focused on:

- ▶ establishing criteria for fish screen design, effectiveness and priority locations;
- ▶ analyzing a fully isolated conveyance option as part of alternative 3.

Discussion Points

- The alternatives include options for screening and not screening diversions. The Program currently assumes that screens will be necessary in areas that are less friendly to fish. If, for example, the central Delta channels are widened and modified to be an improved habitat, screens may not be necessary to ensure protection. Effectiveness of screens for diversions over 3,000 cfs will need further study.
- Currently, the only options available for addressing entrainment of fish eggs and larvae at diversions is consolidation of intakes and real time monitoring to avoid time periods when eggs and larvae are most prominent. These measures will not totally correct the problem and adaptive management will be another useful tool for limiting impacts on adult fish, as well as eggs and larvae.
- The range of 5,000 cfs to 15,000 cfs for the proposed size of the isolated conveyance in alternative 3 was based on future projections for urban water use needs, on the low end, and the maximum capacity of the existing conveyance system, for designating the high end of the range. None of the alternatives suggest changes to the total capacity of the existing CVP and SWP systems. A suggestion was made to develop technical criteria to help determine the preferred capacity of such a facility. BDAC members suggested that extensive documentation on how an isolated facility will move water around the Delta, assessment of effects on the Common Pool, and BDAC discussions on institutional assurances addressing use of isolated facilities are all needed to garner support from stakeholders.
- A BDAC member pointed out that the freshwater which flows to the ocean is valuable, in terms of unrestricted flow benefits to natural resources. Therefore, water saved through efficiency measures is not "wasted". The focus of the proposed ecosystem restoration program is to try to recreate a more natural system, which may be inconsistent with proposed modifications described in other parts of the alternatives. Future discussions need to address this question of balance.
- The water use efficiency common program should include required strong minimum standards, regardless of the selected preferred alternative. However, depending on the final options, local entities will determine the need for additional efficiency measures, taking into consideration local requirements and resources. Several BDAC members discussed possible philosophical differences between local conditions and needs, and needs of the ecosystem as a whole. All interested parties need to consider the positive and negative ramifications of increasing efficiency. Efficiency measures may be costly, but benefits may outweigh the costs. It was suggested that reduced water use may improve water reliability, but that any projections of increased yield need to be accurately assessed. System modifications may open up water markets, increase flexibility in implementing solutions, and create incentives to conserve.

- Problems on the San Joaquin River watershed are primarily from impacts from gravel mining and levee maintenance efforts between the gravel pits and the mainstem of the rivers. Degradation of levees causes siltation which leads to areas of shallow and warm water that have harmed fish.
- Raising Friant Dam was a suggestion for improving the San Joaquin system. It was pointed out that recent changes to alternatives recognize many upstream storage options in both the San Joaquin and Sacramento River watersheds.

4. KEY ISSUES TO BE ADDRESSED

BDAC members engaged in a lengthy discussion responding to questions posed by staff in "Framing Advice to CALFED", provided in the BDAC meeting packet. BDAC's task during this discussion was to provide advice to CALFED on the Phase II preliminary alternatives and issues to be addressed during Phase II. The goal was described by Mike Madigan as providing a series of comments, revolving around the five questions, to accurately reflect the thoughts of BDAC members. The discussion is summarized below and in the July 25, 1996 letter from Chair Mike Madigan and Vice Chair Sunne Wright McPeak, to Robert Perciasepe (EPA Assistant Administrator for Water) and Douglas P. Wheeler (Resources Agency Secretary). The letter was presented at the July 29, 1996 CALFED public meeting.

Several times during the discussion, BDAC took public comments. Those comments are summarized after the Question #5 discussion.

Question #1

Do the alternatives represent a reasonable range of solutions?

- BDAC concluded that the alternatives represent a reasonable range of solutions, and asked that staff proceed with further refinement of the three draft alternatives.
- BDAC members expressed concerns about the current level of analysis and frustration concerning other level of detail issues. There was also concern about the upper and lower limits (with regards to conveyance) that had been established for detailed analysis of Alternative 3. BDAC agreed that the current level of analysis is appropriate for the conclusion of Phase I, and recommended that CALFED move quickly to more clearly define the alternatives in the following ways: a) reconsider wider ranges, and b) clarify the rationale for the selection of the upper and lower ends of the ranges in the sizing of storage and conveyance.
- BDAC members expressed concern that there is still a strong tendency toward retiring significant amounts of farmland. BDAC recommended that CALFED staff clarify the intent and definition of land retirement as a tool, especially to deal with water quality and drainage issues. BDAC also recommended that the Program develop a clear description of the use of proposed water transfers, and a clear forecast of associated benefits and impacts.

- Several individual BDAC members were concerned that objectives of particular importance to them would be addressed adequately during the analysis of the alternatives. BDAC recommended that CALFED staff move ahead to establish clear assurances to demonstrate that all Program objectives are reasonably met. The Council also recommended that CALFED staff continue to clarify the meaning and intent of CALFED terminology such as “core actions,” “common programs,” and “watershed management.”

Question #2

Is the development of common programs at fairly extensive levels to address the issues of ecosystem restoration, water quality, system vulnerability, and water use efficiency a reasonable approach?

- BDAC agreed that the common programs are a practical idea and a helpful structure. BDAC believed that the program approach is a wise policy choice, and a superior way to configure the Program relative to the earlier proposal of using modest, moderate, and extensive levels of effort.
- BDAC believed that the Common Programs bring focus to the need to make expenditures in the four Program areas. BDAC asked CALFED staff to ensure the programs will actually be extensive enough to resolve the problems. The Council recommended that Phase II include design of an administrative structure to ensure adequate Program development, implementation, monitoring and adaptive management strategies.
- BDAC had specific concerns and recommendations about the ecosystem restoration and water use efficiency components, as well as, water supply. Overall, water use efficiency concerns highlighted the linkage between CALFED and California water policy. On the question of water use efficiency, BDAC requested that CALFED staff explain how land retirement would work, under what circumstances different alternatives might employ different levels and types of conservation and reclamation, and how “demand hardening” could be a factor that could limit efficient use of water.
- BDAC members also expressed concerns that the Delta component of ecosystem restoration and system integrity program is not adequate to achieve the CALFED Program mission. BDAC recommended that the Ecosystem Restoration program address survival of adult fish and the entrainment of eggs and larvae, and that the technical capabilities of fish screens to handle proposed flows be confirmed.
- BDAC suggested that water supply planning be improved by increasing the certainty of water availability. With regard to water supply, BDAC recommended that accepted demand and population projections be used to ensure the alternatives meet future supply needs and water consumption targets.

Question #3

Is the staged implementation of the common program a reasonable way to proceed?

- BDAC’s overall response was that the staging of common programs is a practical approach and a sound policy choice. BDAC recommended that CALFED ensure that the four

programs proceed concurrently, to reinforce the idea that all stakeholders will realize benefits at a fairly continuous rate. This concern in turn requires close attention to assurances.

- Several members raised the issue of continuing or establishing appropriate oversight agencies or organizations in the implementation stage. They questioned how CALFED can see the solutions through the implementation stage if its mission is focused on planning. BDAC recommended that CALFED staff be accorded discretion in designing the adaptive management approach in the implementation of the common program. BDAC asked that this flexibility be coupled with accountability to the overall Program objectives and solution principles.

Question #4

Has this level of public involvement and outreach been adequate? Are there important groups that are under represented?

- BDAC agreed that the overall public involvement program has generally been adequate. In fact, BDAC believed the public involvement effort is one of the CALFED Program's strengths.
- In addition to commenting on the strengths of public involvement program, members called for improvement in several areas. One BDAC member felt that public awareness of the program and the goals of the program have not been clearly articulated to the public. BDAC recommended that staff step up the level of public involvement in Phase II. Constituencies that should get more attention include Southern California, the Bay Area, mountain counties, and business and labor.
- BDAC asked that the Program work hard to reach groups that do not fully understand the Program's objectives, the three alternatives, and the associated benefits of each alternative. BDAC suggested that one way to proceed is to compare the list of individuals and organizations that have participated with those organizations known to have a stake in Bay-Delta issues. Then, staff can create more outreach and involvement opportunities for those groups who are not participating.

Question #5

What other policy issues need to be highlighted and addressed in Phase II?

- BDAC recommended that staff continue to define and analyze several important policy issues as the Program moves into Phase II. Questions to be addressed include:
 - Under what conditions will land retirement be used as a tool to meet Program Objectives?
 - How will water transfers be used to implement Program Objectives?
 - How will CALFED ensure that allocation of costs to beneficial users will be addressed?
- Several BDAC members reiterated the desire to be consulted as staff conducts important policy deliberations. BDAC recommended that CALFED strive to integrate the dual policy

and technical tracks that comprise the Program. BDAC asked that written and technical reports keep pace with the policy deliberations and explanations given in public forums.

Public Comments

- Ed Petry (Mendota) supported Alex Hildebrand's June 21, 1996 letter and reminded BDAC that improving south Delta water quality will take a substantial financial commitment. He promoted the concept of additional flows in the San Luis drain and San Joaquin River to improve water quality (through dilution of salts) and enhance conditions for salmon. Mr. Petry also invited BDAC to hold a meeting in Mendota.
- Steve Ottowaller (Westlands Water District) could give affirmative answers to most questions. However, he did not agree that water use efficiency measures will substantially reduce dependence on exports, especially since the Program is relying less on agricultural land retirement as an efficiency tool. Other measures will not provide enough water savings to significantly decrease export demands.
- Bill Dunn (Calaveras County Water District) requested that the tradeoffs of setting water aside for ecosystem restoration be evaluated. He also raised the issue that groundwater banking will affect those communities which overlay the basins and banking programs could lead to lawsuits, such as those related to the Butte basin. He urged that the Program carefully address the feasibility of such programs. He explained that upstream surface storage may bring greater benefits to mountain or the source counties and provide needed water to Delta water users and exporters. He urged the Program to assure long-term benefits to areas where the source of water originates.
- Gary Bobker (Bay Institute) supported use of significant public funds, using SB 900 as an example, to pay for Program actions. The Program will need to carefully consider the contribution from water users and it needs a comprehensive strategy that includes many water use efficiency tools. Mr. Bobker also pointed out that the Program may now be underestimating the importance of land retirement and land conversion, as a reaction to the negative response to Program's original proposals. He also suggested that the strategy include pricing options for water. The strategy is iterative and use of one tool will affect use of other tools.

Mr. Bobker commented on potential sources of environmental water and components of the ecosystem restoration program. He asked for clear flow objectives for ecosystem restoration and that water sources not be limited to new storage facilities. He suggested that the Program look at institutional and nonstructural sources of water sources before committing to structural solutions. He also questioned whether the in-Delta component would adequately restore the health of the Delta. He suggested the Program think long-term for addressing Delta habitat restoration, levee stability problems, and concerns of the affected stakeholders.

Mr. Bobker stated that stakeholders recommended in February 1996, that the size of the isolated facility be limited to the combined conveyance of the state and federal water projects.

- Richard Harter (retired farmer, Butte County) - The Department of Agriculture, local agencies and farmers are beginning to follow native American land practices. Current agricultural practices and surface storage proposals may continue the decline of renewable resources. It was suggested that use of agricultural chemicals be limited, since they may be causing a loss of top soil and disrupting the carbon cycle.
- Jeff Phipps (Northern California Power Agency) - The Program lacks specific, quantifiable objectives. There has been no agreement on measurable objectives for the ecosystem restoration common program, for example. He also advocated separating the CVPIA actions from the three alternatives and putting those actions into the no-action alternative.
- Adrienne Alvord (Rural Water Impact Network) suggested BDAC members read "93640, Communities At Risk" a study of Mendota during the 1987 - 1992 drought. She also pointed out that the CALFED process is driven by economics and reminded the Council to limit re-directed impacts.
- Arnold Rummelsburg (Wheeler Ridge Maricopa Water Storage District) raised concerns about the introduction and invasion of introduced aquatic species in the San Francisco Bay Delta. He believes this is an issue that deserves a great deal of attention from the Program since the species create an environmental imbalance and limits efforts to enhance native species.

5. COMPONENT REFINEMENT PROCESS (LESTER SNOW)

Lester Snow reviewed the three tracks for Phase II EIR/S development, component refinement, and development of an implementation strategy. Refinement of components coupled with a financial strategy and decisions on how to provide assurances and institutional structures will frame implementation in Phase III. Phase II proposals and work plans will be developed by staff in conjunction with the activities of the Work Groups.

6. REPORTS FROM BDAC WORK GROUPS

Finance Work Group (Eric Hasseltine)

Mr. Hasseltine reported that at the July 18 meeting the group reviewed the two aspects of federal funding: support from existing programs and new funds which generally take a long time to get appropriated by Congress. He noted that the long lead time necessitates beginning the funding process fairly soon.

The group also reviewed the financing options paper prepared by the Business Round Table (distributed to BDAC at an earlier meeting). The paper provides background for analyzing options, but does not specifically recommend how to implement the options.

Review of the first case study (old alternative C or the dual conveyance alternative) began with assessment of capital costs and operating expenses. The group is in the initial stages of assigning costs to different users and beneficiaries, so the numbers are still imprecise. The group is using the case study to try to answer the following six questions that will serve as a framework for the financial strategy:

- ▶ Who will pay for the solution?
- ▶ What are the types of costs?
- ▶ When will payments be made?
- ▶ How will the payments be made, or what tools will be used?
- ▶ What will be the implementation structure?
- ▶ How will costs be allocated to people who pay?

Ecosystem Restoration Work Group (Mary Selkirk)

The group met on June 26 and reached general consensus that the CALFED vision and program strategy was adequate. Some members suggested that the Program should describe benefits to the ecosystem (especially to wildlife) of some Delta agricultural activities. The group discussed three proposals for setting targets and goals to define a healthy ecosystem:

- ▶ set the restoration goal at the level of health of pre-disturbance conditions,
- ▶ identify diagnostic goals and actions and use adaptive management to restore the system to those levels, or
- ▶ set restoration at a level of health at some period in recent Delta history.

Much discussion is focussing on flushing out opinions and different perspectives. The work Group is also anticipating a discussion concerning programmatic structures required to implement an adaptive management strategy.

The next meeting for the group was set for the week following the BDAC meeting.

Water Use Efficiency Work Group (Judith Redmond)

The meeting was held on June 27 and began with discussions on land retirement which paralleled discussions during the BDAC meeting. Most of the meeting focused on best management practices (BMP's) in urban areas and the group reviewed the voluntary program administered by the Urban Water Conservation Council (Council). The group reached some agreement on the following recommendations related to BMP's:

- Continue partnering with the Council to implement and enforce the BMP's.
- Combine incentives and regulatory sanctions for local programs.
- Consider conservation pricing and user fees.
- Involve community and environmental groups in enforcement.
- Improve the landscaping BMP.
- Strengthen education programs.
- Include water use efficiency assurances in CALFED related bond measures.

It was suggested the group discuss the relationship between water conservation in a specific area and its effect on Delta water savings.

The next meeting for the group was set for August 1, 1996.

7. OVERVIEW OF OTHER KEY ISSUES (LESTER SNOW)

SB 900 *(This item was taken out of order and discussed immediately after lunch)*

A brief report on the status of SB 900 was given by Steve Hall and Tom Graff. The bill (now Proposition 204) passed the Legislature and was approved by the Governor with a broad base of support and the widest margin of votes for any bond measure. Polling shows positive indications for voter support. The initiative is endorsed by the San Francisco Chronicle, LA Times and valley papers. Several BDAC members commented favorably on the wide range of support for the bill and the spirit of cooperation that characterized the negotiations to create the final language.

Water Quality Technical Issues

Several technical sub-groups have been formed (environmental, agricultural and urban) to deal with their respective water quality issues.

Next Steps

- The CALFED public meeting was set for July 29 in Sacramento.
- The CALFED press conference, which will formally announce the end of Phase I and the Phase II alternatives is scheduled for September 5 in Sacramento *(now changed to September 3)*.
- The next BDAC meeting is scheduled for Friday September 20 in Sacramento.

Other meeting dates are listed in the public involvement calendar handed out at the meeting.